

**AN ACT RATIFYING THE CONCESSION AGREEMENT BETWEEN  
THE REPUBLIC OF LIBERIA AND LIBINC OIL PALM INC.**



**APPROVED MAY 22, 2008**

**Published By Authority**  
**Ministry of Foreign Affairs**  
**Monrovia, Liberia**

**August 6, 2008**

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**It is enacted by the Senate and House of Representatives of the Republic of  
Liberia in Legislature assembled:**

**SECTION I: That from and immediately after the passage of this Act "AN ACT  
RATIFYING THE CONCESSION AGREEMENT BETWEEN THE  
REPUBLIC OF LIBERIA AND LIBINC OIL PALM INC  
INC as herein recited below word for word in the equally authentic  
English version be and the same is hereby ratified.**

**SECTION II: SHORT TITLE: This Act ratifying the CONCESSION  
AGREEMENT BETWEEN THE REPUBLIC OF LIBERIA  
AND LIBINC OIL PALM INC may also be officially  
Cited "THE LIBINC OIL PALM INC CONCESSION  
AGREEMENT".**

**SECTION III: THAT any and all obligations, covenants, terms and conditions  
as contained in the above mentioned LIBINC OIL PALM INC  
shall be carried to full completion, unless otherwise modified,  
amended or repeal.**

**SECTION IV: This Act shall take effect immediately upon the publication into  
handbill.**

**ANY LAW TO THE CONTRARY NOTWITHSTANDING**



**CONCESSION AGREEMENT BETWEEN THE REPUBLIC OF LIBERIA AND**

**LIBINC OIL PALM INC**

This Agreement is made and entered into this 21<sup>st</sup> day of December 2007 A.D by and between the REPUBLIC OF LIBERIA, represented by the Minister of Agriculture, Dr. J. Chris Toe, the Minister of Finance, Dr. Antoinette M. Sayeh, and the Chairman of the National Investment Commission Hon. Richard V. Tolbert and attested to by the Minister of Justice, Hon. Phillip A.Z. Banks, III, (hereinafter referred to as the "Government") and the LIBINC Oil Palm Inc. a corporation duly organized under the Law of Liberia, represented by its President, Joseph. H. Jaoudi, (hereinafter referred to as "LIBINCO").

**WITNESSETH:**

**WHEREAS**, on December 14, 1965, the Government and Liberian Operations Inc, (hereinafter called LIBINC) entered into a Concession agreement for the development of oil palm and other related agricultural products on a tract of land situated in the New Cess area, Grand Bassa County (hereinafter called the "Concession"), of which said agreement is hereto incorporated by reference to form an integral and cogent part of this agreement; and

**WHEREAS**, pursuant to the said agreement, LIBINC had made considerable investment in the Concession, but the investments have been destroyed, damaged or remained in a state of dormancy as a result of the civil unrest which plagued the country for over 15 years; and

**WHEREAS**, Article 4 of the said 1965 agreement granted a term of forty (40) years to the Liberian Operations Inc with an optional period of an additional forty (40) years on terms and conditions to be agreed upon by the parties thereto; and

**WHEREAS**, LIBINC Board of Directors has resolved to exercise its option to renew the 1965 Concession agreement and the Government has consented thereto; and

**WHEREAS**, LIBINC in exercising the said option, intends to make significant new investments in Liberia to repair or replace lost, damaged, or destroyed assets and to restore business activity above the pre-1990 levels as presented in its investment plans, but requires the appropriate assurances from the Government both as to the security of its employees, assets, investment and operations and as to matter relating to the tax, fiscal and other terms that will govern, or apply to, its investment; and

**RECOGNIZING**, the profound changes in circumstances that have occurred, the level of new investments that LIBINC intends to make in Liberia and the economic objectives of the Parties as set forth in this Agreement, the Government has agreed that LIBINC, should make such investments in pursuit of the Government's overall economic and social programs including but not limited to the creation of employment opportunities; the realization of value added on the production of crude palm oil and other agricultural products, and

**CONSIDERING**, that Government has agreed to provide the assurances that LIBINC will need to facilitate financing for its business activities in Liberia;

**WHEREAS**, Article 5 (9) of the December 14, 1965 Agreement provides *inter alia* that LIBINC may transfer to any other person, company or organization all or part of its interest in the rights acquired and obligations undertaken by it under the Agreement subject to the prior approval of the Government of which said approval shall not be unreasonably withheld;











**WHEREAS**, the Board of Directors of Liberian Operations Inc, has by Board Resolution dated October 4, 2007, has resolved to transfer its rights in the said 1965 Concession agreement to LIBINCO a newly incorporated Liberian Company and has requested Government to approve of said transfer in a letter dated October 15, 2007 and conclude negotiations with LIBINCO; and

**WHEREAS**, the Government has consented to the transfer of the said interest to LIBINCO and to conclude negotiations with LIBINCO

**NOW THEREFORE IT IS MUTUALLY AGREED AS FOLLOWS:**

The following terms wherever used in this Agreement shall have the respective meanings set forth below:

1.1 Additional Area -- Land referred to in Article 3.2, and any Private Land as may be leased to LIBINCO from time to time for Production, Infrastructure and/or other LIBINCO Activities.

1.2 Affiliate - A Person that, with respect to a second Person, controls, is controlled by or is under common control with the second Person. For purposes of this Section, control means the possession, directly or indirectly, by one person of more than fifty percent (50%) of the equity or of voting power in another Person, and the term "Person" means a natural person or legal entity as defined in section 1.27.

1.3 Agreement: This Agreement and any amendments to it made pursuant to its terms, as well as all exhibits or appendices.

1.4 Agricultural Products -- Palm Oil and any other products derived or obtained as the result of agricultural or farming activities of oil palm, whether cultivated or not, as well as any other product derived as the result of the processing of any of the above.

1.5 Associates -- Associates of a Person shall be its Affiliates, shareholders, contractors (including suppliers of goods and services) and financiers, and its directors, agents and employees and the directors, agents and employees of any of the foregoing.

1.6 Center -- The International Center for Settlement of Investment Disputes established under the auspices of the International Bank for Reconstruction and Development.

1.7 Commercial Production -- During each year beginning with the Effective Date, the Production of Palm Oil, from fifty percent (50%) or more of the mature Palm trees in the Production Area, which shall mean those Palm trees aged between four(4) and twenty-five (25) years and not so diseased, damaged or infested as to render it uneconomic to harvest them under sound management practices worldwide.

1.8 Concession Area -- The combination of the Production Area and any Additional Area except for private land including Tribal Reserves and Tribal Sacred Ground as granted in the 1965 agreement in addition to land granted under the outgrowers program.

1.9 Convention -- The Convention on the Settlement of Investment Disputes between States and Nationals of Other States opened to signature at Washington, D.C., United States of America, on March 18, 1965 and which went into effect for Liberia on July 16, 1970 and for the United States of America on October 14, 1966.

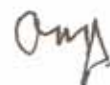
1.10 Crude Palm Oil -- Oil derived from palm fruits in its natural state.

1.11 Developed Areas -- the total of cultivated areas and areas in use for infrastructure and other purposes within the concession area.

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[Handwritten signatures and initials]



- 1.12 Dollars \$ -- United States Dollars unless otherwise noted.
- 1.13 Effective Date -- The date on which this Agreement is signed by all parties
- 1.14 Extended Term -- as defined in Section 2.3.
- 1.15 Farm Road -- A road LIBINCO deems necessary or desirable to construct, and that is primarily used in connection with, Production.
- 1.16 Government -- The Republic of Liberia, its Government, and all branches, divisions, political sub-divisions, instrumentality's, authorities and agencies thereof.
- 1.17 Government Land -- All land in Liberia, including any creeks, streams, rivers, and bodies of water, and their residue, contained on such land, except Private Land.
- 1.18 Infrastructure -- All facilities relating to or connected with Production, including, but not limited to, any type of the following: (a) employee housing; (b) public welfare facilities (including medical, educational and recreational facilities); (c) power, water and sewage facilities (including natural water, hydro-electric and/or thermal power generating facilities, hydro-electric stations, transmission and power lines, and/or other power facilities, dams, aqueducts, water drains, water supply and sewerage systems, pumping stations and systems for disposing of plant waste and sewage); (d) processing, storage and repair facilities, engines, machines, furnaces, or compressor stations; (e) administrative, laboratory and research facilities; (f) transportation facilities (including roads, bridges, railroads, airports, landing strips and landing pads for aircraft and/or helicopters; hangars and other airport facilities, garages, canals, aerial tramways, pipelines, docks, harbors, piers, jetties, breakwaters, terminal facilities and warehouses and loading and unloading facilities); (g) communication facilities (including telephone, telegraph, electronic mail, radio, satellite, television and telecommunications or other transmission facilities); and (h) all other movable and non-movable facilities and equipment affixed to, used as an integral part of or used in relation to or in connection with the items described in (a) through (g), inclusive, of this Section 1.20.
- 1.19 Law -- Any constitution, treaty obligation, law, statute, decree, rule, regulation, judicial act or decision, judgment, order, proclamation, directive, executive order or other sovereign act of Government other than this Agreement
- 1.20 Liberian Currency -- Any currency, except Dollars, that is legal tender in Liberia, or circulates freely in any part of Liberia by virtue of any Law or authority as a medium of exchange for the purchase or sale of goods and services.
- 1.21 Liberian Oil Palm Farmer -- any Person other than Government engaged in the Production of Natural Oil palm in the Republic of Liberia if: (a) In the case of a natural person (as that term is defined in Section 1.27,) such Person is a citizen of the Republic of Liberia, or (b) In the case of a legal person (as that term is defined in Section 1.27) all of the equity ownership of, and net profits interest in, such Person is owned by or for the benefit of one or more natural persons who are citizens of the Republic of Liberia, and neither that Person nor any of its Affiliates is a party to a oil palm development, concession or other similar investment or license agreement with Government.
- 1.22 LIBINCO Activities -- All activities and transactions conducted by or on behalf of LIBINCO, directly or indirectly, with respect to or incidental to this Agreement and the financing of such activities and transactions.
- 1.23 LIBINCO: LIBINC Oil Palm Inc., a corporation duly organized and existing under Law, and any successors or permitted assignees.



1.24 Minister -- The official of Government designated by Government to act on its behalf with respect to matters relating to this Agreement, or if Government designates no such official, the Ministers responsible for Agriculture and Finance respectively and the Chairman, National Investment Commission and their respective successors.

1.25 Notice -- Notice given pursuant to Section 26 of this Agreement.

1.26 Palm Oil Products -- Crude Palm oil and its derivatives

1.27 Party -- Either Government or LIBINCO and, in the plural form, both Government and LIBINCO.

1.28 Person -- Any natural person and any legal person. For purposes of this Agreement, a natural person means a human being and a legal person means a partnership, joint venture, corporation, limited liability company, trust, estate or other entity that is recognized by the laws of any state as a distinct body possessing the right to enter into contracts or, under color of law, to own, lease or possess real or personal property, as well as a government or state, and any branch, division, political sub-division, instrumentality, authority or agency of any government or state

1.29 Prevailing Market Rate of Exchange -- The predominant rate, expressed in terms of US Dollars, at which willing sellers and willing buyers, acting at arm's length and in the ordinary course of business, purchase or sell, or are willing to purchase or sell.

1.30 Private Land -- Any land, including any creeks, streams, rivers, and bodies of water, and their residue, contained on such land, owned by any Person except Government, or in which any Person except Government has a possessory interest recognized by Law. Private land shall include tribal reserves and Tribal Sacred Grounds.

1.31 Production -- Any or all of development, planting, cutting, replanting and care of Palm trees or other Agricultural Products; harvesting, collecting, purchasing, selling, exporting, and/or marketing of Palm oil or other Agricultural Products; processing, storing and transporting Palm Oil or other Agricultural Products; and all other operations of LIBINCO incidental to, arising out of or directly related to any of the foregoing, including, but not limited to, the installation, operation and maintenance of Infrastructure.

1.32 Production Area -- The areas of Government Land described in Appendix I to this Agreement (as such Appendix I may from time to time be revised by LIBINCO with the approval of the Minister) and leased by Government to LIBINCO.

1.33 Profound Changes in Circumstances -- Such changes in the economic conditions of the oil palm industry worldwide or in Liberia, or such changes in the economic, political or social circumstances existing in Liberia specifically or elsewhere in the world at large as to result in such a material and fundamental alteration of the conditions, assumptions and bases relied upon by the Parties at the time during which they entered into this Agreement (or the time after any subsequent review pursuant to Section 28) that the overall balance of equities and benefits reasonably anticipated by them will no longer as a practical matter be achievable.

1.34 Rehabilitation Term -- as defined in Section 2. 1.

1.35 Regular Term -- as defined in Section 2.2

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1.36 Section -- Any clause in this Agreement designated at its beginning by a numeral or sequence of numerals, irrespective of the fact that it is or is not preceded by the word "Section".

1.37 Taxes and Duties -- Any and all direct and indirect income, profits, gains, corporation, net worth, sales, payroll, import, export, customs, consul, inspection-related, value added, consumption, supply, use, turnover, severance, stumpage, cash flow, rental, land rental, property, stamp and other taxes, duties, fees, royalties, levies, excises, rates, charges, imposts, surcharges and other Government-imposed revenue payments of whatever nature, to whomever payable and however called and whether similar or dissimilar to the foregoing.

1.38 Term-- Any or all of the Rehabilitation Term, the Regular Term and the Extended Term, as the context requires.

The words "hereof", "hereunder", "herein", or other similar words mean this Agreement and its appendices.

The words "and" and "or" include the conjunctive and disjunctive, as the context may require or permit.

The word "include" (and any variation of that word) is used in an illustrative sense rather than a limiting sense.

Each Party fully participated in the negotiation and drafting of this Agreement. Therefore, this Agreement shall not be construed against any Party as the drafting party.

## SECTION 2: TERM OF AGREEMENT

2.1 Rehabilitation Term -- LIBINC's existing agreement expired on December 13, 2005. The parties have mutually agreed to a rehabilitation term of seven years due to force majeure which shall commence as of the effective date of this agreement unless sooner terminated in accordance with the provisions of this Agreement.

2.2 Regular Term -- The Regular Term of this Agreement shall be for a term of forty-three years, commencing on the day following the expiration of the Rehabilitation Period and shall end on the fiftieth anniversary of the effective date of this agreement, unless sooner terminated in accordance with other provisions of this Agreement.

2.3 Extension of the Term -- The Regular Term may be extended for such period and on such terms and conditions as may be agreed by the Parties within five years prior to the expiration of the Regular Term. If the Regular Term is not extended, the Parties shall agree on such measures as are necessary to preserve the value of the non-moveable assets including the oil palm trees during the remainder of the Regular Term.

## SECTION 3: GRANT OF RIGHTS

### 3.1 Production and Other Basic Rights

(a) Except as provided in this Agreement, Government hereby grants to LIBINCO the right and license non-exclusively to engage in the Production and utilization in Liberia, and the export from Liberia, of Agricultural Product free from any requirement to obtain any further license or authorization from Government or any other Person in order to do so. Except as otherwise provided in this Agreement, LIBINCO may not engage in any business other than the Production and utilization in Liberia, and the export from Liberia, of Agricultural Product, provided, however, that nothing contained in this Agreement shall prevent Affiliates of LIBINCO from engaging in other businesses within the territory of



Liberia pursuant to Law. This Section shall not be interpreted to exempt LIBINCO from customs declarations.

b) Subject to the terms hereof, Government hereby leases the Production Area to LIBINCO for its exclusive use in the Production of Agricultural Product and for other LIBINCO Activities.

c) Survey - LIBINCO shall within twelve months of the effective date of this Agreement resurvey, the Concession area based on the coordinates and other information in Appendix I showing the total areas of 34,500 acres that constitute the concession area pursuant to the 1965 Agreement. Such map shall be attached to this agreement as Appendix IA and shall be amended if any Additional Area is included in the Concession Area to show such Additional Area.

3.2 Additional Areas - Government may lease in the future to LIBINCO additional areas outside of the Production Area (which shall thereafter be a part of the Concession Area) for the exercise of the incidental rights set forth in Section 3.3(a), upon such reasonable terms and conditions as the Parties acting in good faith may agree, but at surface rentals not to exceed the fair market rental value for such land, and subject to the limitations contained in Section 3.3(a). As of the execution of this Agreement, no Additional Area has been leased to LIBINCO and the Concession Area includes only the Production Areas.

### 3.3 Incidental Rights

(a) Subject to the terms and conditions of this Agreement, and only as necessary or desirable for the proper and efficient exercise of the rights granted to LIBINCO under Section 3.1, LIBINCO shall have the right:

(i) Exclusively to construct, install, maintain and/or repair, at its own expense, Infrastructure within the Concession Area, provided that LIBINCO shall first obtain approval of Government concerning the design, location, size and, subject to Section 13, environmental impact of any roadway, highway, railway, waterway or other ways of communication, which approval shall not be unreasonably withheld; and provided further that nothing herein shall restrict or impair LIBINCO's right to construct within the Concession Area such Farm Roads as LIBINCO deems necessary or desirable to properly conduct Production and that conform with Law or Section 13 regarding safety and the environment. All such Farm Roads shall remain open to the public subject to such reasonable restrictions on their use as LIBINCO shall, in conformity with Law, impose in the interest of the security of its assets and that of its Associates and the safety of its employees and their dependents, and the employees and dependents of its Associates.

(ii) Non-exclusively, outside the Concession Area, at its own expense to construct and establish Infrastructure, subject to Law and the prior approval by Government (which approval shall not be unreasonably withheld). All highways and roadways constructed pursuant to this Section 3.3(a)(ii) shall, upon completion, become public property, provided that LIBINCO shall have the right to use such highways and roadways without charge or the imposition of Taxes and Duties for or with respect to such use. Government shall have no obligation to refund to LIBINCO any amounts expended by LIBINCO in the construction and maintenance of such Infrastructure.

(iii) Exclusively, within and outside the Concession Area, to transport or, subject to Section 10 and the requirements of any Law, to provide for the transportation by other Persons of its own Agricultural Product or goods required for, utilized in or incidental to Production.

(iv) Exclusively, within the Production Area, to plant, cut and utilize timber to the extent it deems necessary for the construction and maintenance of Infrastructure and for other LIBINCO Activities within the Concession Area and subject to Section 13 hereof and Law.

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(v) Exclusively, within the Production Area, to take and use, subject to any limitations pursuant to Section 13, free of charge (but not to sell to any other Person without the written approval of Government), such water, stones, rocks, sand, clay, and gravel having no significant commercial mineral value other than as aggregate, filler or other construction material, as LIBINCO may consider necessary or useful for its operations under this Agreement. This activity shall not be considered to be mining for purposes of any Law.

(b) The Parties agree that all trails across the Production Area used immemorially by the population shall remain open to free use by the public, subject to such reasonable restrictions as LIBINCO shall, in conformity with Law, impose in the interest of the security of its assets and that of its Associates and the safety of its employees and their dependents and the employees and dependents of its Associates.

c) Tribal reserves of land, especially areas deemed as Sacred Tribal Land, set aside for the communal use of any tribe within Liberia are excluded from the operation of the Agreement. Should any question arise as to the limits and extent of such reserves, Government shall determine such questions. Notwithstanding, the parties hereto mutually agree that within twelve (12) months as of the execution of this agreement, LIBINCO shall conduct, without cost to Government but in collaboration with the Local Authorities, the Ministry of Internal Affairs, the Ministry of Lands, Mines and Energy, and the Ministry of Agriculture, a socio-economic study to identify and demarcate tribal reserves and/or Sacred Grounds. This condition shall extend to all future land that may be granted to LIBINCO.

3.4 Production Outside the Concession Area -- LIBINCO and its Affiliates may engage in the Production of Agricultural Products, including plantation-grown trees, on land outside the Concession Area pursuant to any right any of them may obtain from any Person or Government to use, lease, or otherwise occupy such land.

3.5 Other Natural Resources -- Government reserves the exclusive right to explore for and develop mineral resources within the Concession Area and to grant such exclusive rights to any other Person. If Government (or any other Person under grant from Government) intends to explore for, develop or exploit mineral resources in the Concession Area, it shall first so advise LIBINCO by Notice, and the right of Government or such other Person to explore for, develop or exploit mineral resources in the Concession Area shall be subject to the following:

(a) Any exploration, development or mining activity to be undertaken either by Government or by such other Person shall not either unreasonably or materially interfere with Production and the rights of LIBINCO hereunder;

(b) Government shall fully compensate LIBINCO for any damage to property and assets and for any economic or other losses, including, but not limited to, lost profits, that LIBINCO may suffer by virtue of any exploration, development or mining activities conducted by Government or any other Person; and

(c) Government and any such other Person shall fully indemnify and save LIBINCO harmless from all claims, damages, liability, costs and expenses, including attorney fees charged by counsel chosen by LIBINCO (provided that the Government shall approve such counsel or may assume the defense against any such claims), and all other costs and expenses of defense, arising out of or related to such exploration and/or mining activities.

(d) If Government grants to any Person the right to explore for or develop mineral resources within the Concession Area, Government shall require, as a condition to such grant, that such Person agree to be jointly and severally liable with Government for the obligations set forth in this Section 3.5 and that such Person post an appropriate bond to secure performance by such Person of such obligations.

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3.6 Agricultural Surface Leasehold – Except as otherwise limited herein, LIBINCO's rights with respect to the Concession Area leased to LIBINCO under this Agreement shall be those inherent in leasehold of the surface of land for agricultural purposes, and LIBINCO shall be considered such a lessee as to the Production Area and the Additional Areas, if any.

3.7 Warranty of LIBINCO's Rights – Subject to the timely and substantial fulfillment of all material obligations herein undertaken by LIBINCO, Government warrants LIBINCO's title to and possession of all rights granted them under the terms and conditions of this Agreement, and agrees that it shall defend and protect these rights for the benefit of LIBINCO.

3.8 Warranty of Ownership – LIBINCO represents and warrants that all Oil Palm trees in the Production Area and all other non-movable tangible assets in the Production Area are the property of LIBINCO, and are not encumbered by any liens or otherwise as of the Effective Date. LIBINCO shall not during the term of this Agreement encumber or otherwise burden such assets except as such encumbrance is subordinate to the rights of Government upon termination of this Agreement. Any such encumbrance and any modification thereto shall be approved by the Minister of Finance and the Minister of Agriculture, such approval shall not be unreasonably withheld, and the encumbrance, and any release or modification thereof, shall be filed with both the Minister of Agriculture and the Minister of Finance.

3.9 Personal Property – Government and LIBINCO agree that, except for leasehold rights, the rights and privileges granted LIBINCO under this Agreement are contract rights and constitute personal property and not real estate.

#### **SECTION 4: UTILITIES**

4.1 Utilities – LIBINCO shall have the right, to generate, distribute and allocate electricity and provide water for the purpose of supplying buildings and other facilities within the Concession Area, or otherwise conducting LIBINCO Activities. LIBINCO shall reasonably coordinate and consult with the relevant agencies of Government regarding such activities. Government shall not charge LIBINCO any license fee or other Taxes and Duties for, or in connection with, the exercise of this right. LIBINCO may also agree, but shall have no obligation, to provide electricity or water to Government or other Persons if it has quantities surplus to its needs. If LIBINCO so elects, it shall provide such surplus electricity or water at market rates and on such other reasonable terms as it may decide. Government shall have first priority to purchase all or any portion of such surplus prior to any portion of such surplus being offered to any other Person. Government further agrees that LIBINCO may use public utilities on the same terms and conditions as, and at the generally applicable tariff rate charged to, other similarly situated Persons in Liberia using such public utilities.

#### **SECTION 5: CONSTRUCTION AND USE OF SUPPORT SYSTEMS**

5.1 Concession Roads -- To the extent LIBINCO Activities are not unduly impeded, LIBINCO shall permit its roads to be used by such persons, under such conditions as it may deem appropriate, provided that no user fees shall be charged for the use of such roads. LIBINCO shall have the right to place security gates or other checkpoints on roads within the Production Area when and for so long as it deems necessary, provided that Government shall have the right to assign security personnel to join with LIBINCO security to monitor any such security gates and checkpoints.

5.2 Government Construction -- Government reserves the right to construct roads, highways, railroads, telegraph and telephone lines and other lines of communication within the Concession Area, provided, however, that Government shall not unreasonably interfere with LIBINCO Activities; Government shall also indemnify and save LIBINCO harmless from all claims, damages, liability, costs and expenses, including attorney fees charged by counsel chosen by LIBINCO (provided that Government shall approve such counsel or may assume the defense against any such claim) and all other



costs and expenses of ~~defense~~ arising out of or related to any such construction activity, but excluding any damages for loss of the intrinsic value of any leasehold rights.

5.3 Airport and Port Facilities – Government agrees that LIBINCO and its Affiliates may use any airport, harbor, port or similar facilities owned or operated by Government upon the same terms and conditions as those generally applicable to other persons using the same facilities.

5.4 No Common Carrier -- LIBINCO and its Affiliates shall not be deemed to be, or to have been, a common carrier or, for purposes of any Law, to be, or to have been, engaged in the business of transportation by virtue of the fact that any of them, either within or outside of the Concession Area, ships or transports or has shipped or transported Palm Oil, other Agricultural Products, or other goods required for, utilized in or incidental to LIBINCO Activities, provided that such activities are otherwise consistent with Law and the provisions of this Agreement.

#### SECTION 6: CONDUCT OF OPERATIONS

6.1 Initial Financial Commitment: LIBINCO shall make an initial investment of at least Five Million Two Hundred and Forty-five thousand dollars (\$5,245,000) to be expended over a four (4) year period in furtherance of the LIBINCO Activities the details of which shall be stipulated in the development plan pursuant to section 19.2.

6.2 Production – Subject to the terms of this Agreement, LIBINCO shall generally engage in Production and operate its business in the manner consistent with the best business practices. It shall produce Oil Palm Products in such quantities taking into account world market conditions for Oil Palm Products, economic conditions in Liberia and abroad, and sound business practices in the Production of Oil Palm Products. Without limiting the foregoing, LIBINCO will provide timely information to Government regarding any business decisions that LIBINCO reasonably determines will have a substantial social or economic impact in Liberia, so as to permit appropriate planning and response by Government.

6.3 Management Costs – If LIBINCO engages an Affiliate, or any other Person that is not owned or controlled by Government or by persons resident and licensed to do business in Liberia, to render or furnish to or for LIBINCO any management services or management assistance with respect to Production that is of a type that an efficient Oil Palm plantation company engaged in the production and marketing of Oil Palm Products would ordinarily provide for itself, LIBINCO shall pay for such management services or assistance only on an actual cost reimbursement basis unless otherwise inconsistent with Law.

#### 6.4 Transactions with Affiliates:

6.4.1 Except as provided in Section 6.3, any transaction between LIBINCO and an Affiliate, with respect to Production shall be on the basis of competitive international prices and such other terms and conditions as would be fair and reasonable had the transaction taken place between unrelated parties dealing at arms' length. Such prices shall be determined to the extent possible by reference to publicly available international reference prices or indices and shall at all times be posted in a manner so as to be readily available to the public and Liberian Oil Palm Farmers.

6.4.2 For purpose of this section, the export sale price to affiliates for crude palm oil and oil palm products shall be the prior month's daily average price quoted by Bursa of Malaysia converted to US dollars for Crude Palm Oil and other Oil Palm products.

6.4.3 If the Bursa of Malaysia price is no longer published or if either Party believes that such price is no longer representative of arms-length prices for export sales, the Parties shall meet and make such adjustments as may be required consistent with the general principles of paragraph 6.4.1 of this Section.

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6.4. The determination of prices pursuant to any substitute index or revised formula shall be made public as provided in paragraph 6.4.2 and such substitute price or formula shall be appended to this Agreement.

6.4.4 If LIBINCO enters into a sale or service agreement with any of its Affiliates, LIBINCO shall provide a copy of such sales and services agreements, pursuant to the provisions of Section 26, to Government for its review. If, after ninety (90) days, Government has not made a determination that the terms of such sales agreement fail to comply with the requirements of this Section 6.4 and so notified LIBINCO pursuant to Section 26, then such sales agreement shall conclusively be deemed to comply with this Section 6.4.

6.4.5 Export sales prices determined pursuant to this section 6.4 shall be consistent with the determination of such prices in affiliate transactions of export sales by other oil palm producers in Liberia.

6.5 Sales Price of Oil Palm Products to Non-Affiliates – LIBINCO shall have the right to sell Oil Palm Products to unrelated Persons of its choosing at prices on the basis of competitive international prices and such other terms and conditions as would be fair and reasonable had the transaction taken place between unrelated parties dealing at arms' length. Such prices shall be determined to the extent possible by reference to publicly available international reference prices or indices and shall at all times be posted in a manner so as to be readily available to the public and Liberian Oil Palm Farmers.

6.6 Replanting – Within one year after the Effective Date, LIBINCO will implement a program to replant Palm trees in the Production Area at the rate of one thousand five hundred (1,500) acres per year during the Rehabilitation/Recovery Term, taking into account economic and financial conditions, with the overall objective of replanting the entire Production Area and recovering lost assets by the end of the Rehabilitation/Recovery Term.

6.7 New Planting -- LIBINCO will clear and plant at least 1,000 acres per year for the first ten (10) years of the regular term and 2,000 acres per year thereafter with the overall objective of planting the whole Concession Area.

6.8 Default - A default caused by failure to perform in accordance with sections 6.6 and 6.7 above and section 10 below, without prior approval of the Government, shall subject LIBINCO to forfeit all uncleared and undeveloped land and shall constitute a ground for the termination of this Agreement provided however LIBINCO has been given an opportunity to cure pursuant to section 22.3.

## SECTION 7 : PUBLIC HEALTH AND SAFETY

7.1 Health & Sanitation -- LIBINCO shall practice modern public health in accordance with generally accepted health and sanitation procedures and Law. LIBINCO shall, within two (2) years as of the effective date of this Agreement, construct or cause to be constructed 50 latrines in the concession area, being at least 25 latrines in the first year and the balance in the second year and shall include in its Development Plan pursuant to the provisions of Section 19.2, the number of latrines to be constructed and other sanitary measures and/or safety measures to be undertaken, taking into consideration its expansion program and the population of the concession area.

7.1.1 Occupational Safety: LIBINCO shall practice occupational safety procedures and precautions in accordance with modern industry practices and Law. It shall ensure its employees are regularly trained in accordance with generally accepted health and safety procedures.

7.2 Medical: LIBINCO shall ensure the availability of medical treatment, care and attention in accordance with applicable Law and national policies. Such treatment, care and attention shall be free of charge for its employees and their spouses and dependents so long as each spouse or dependent is

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registered with LIBINCO. LIBINCO shall, within four (4) years as of the effective date, upgrade its present First Aid Clinic to a modern clinic, in accordance with the Ministry of Health and Social Welfare standards, to be staffed by qualified nurses/medical practitioners including a visiting physician where practicable.

7.3 Clean Water – LIBINCO shall ensure that all employee residential communities within the Concession Area are being supplied on a regular basis with safe drinking water. To this end, LIBINCO shall immediately construct or cause to be constructed wells with hand pumps in each of its Divisions and shall include in its Development Plan pursuant to the provisions of Section 19.2, the number of wells to be constructed taking into consideration its expansion program and the population of the concession area.

7.4 Employee Housing. LIBINCO shall, during the Rehabilitation Term, continue its ongoing program to reconstruct, rehabilitate and renovate damaged employee housing in the Concession Area to an acceptable standard of habitability for employees pursuant to Section 19.2

7.4.1 Within one year of the expiration of the Rehabilitation Term or the submission of the Rolling Development Plan before the commencement of the Regular term which ever first occur, LIBINCO shall, in consultation with the Ministry of Agriculture, submit a detailed housing program, including but not limited to housing specifications to be approved by the Ministry of Public Works and a timetable for construction to form a cogent and material part of the development plan pursuant to section 19.2

7.5 Security Force -- LIBINCO shall be permitted, directly or under contract with other Persons of its choosing, to establish, manage and maintain a Plant Protection Department for the purpose of maintaining Law, order and security in the Concession Area and in other areas where LIBINCO has or maintains property and assets through its own fully effective security force (the "Plant Protection Force") and to do so always being subject to Law (including all Laws relating to apprehension and detention and human rights) and the "Voluntary Principles on Security and Human Rights." Those members of the Plant Protection Force certified by LIBINCO to the Government's police and law enforcement authorities to have been specially trained and qualified shall, as in the past, have enforcement powers within the Concession Area, always being subject to Law. The Plant Protection Force shall generally have (i) the power of apprehension and detention in accordance with Law, the detention of any person to be immediately notified to the appropriate Government authority and any detained person to be handed over to such authority as soon as practical and in no case later than twelve [12] hours from the time of detention, and (ii) the power, subject to Law, to search and exclude or evict unauthorized Persons from the Production Area, and from such other areas as may be properly restricted for economic, operational or security reasons, subject to Law. LIBINCO shall coordinate the activities of the Plant Protection Force with Government's police and law enforcement authorities and periodically report to Government on the activities of the Plant Protection Force. This Section shall not affect or alter Government's obligation under Section 3.7.

## SECTION 8: EDUCATION

8.1 LIBINCO, will ensure the availability, free of charge, the elementary education of each dependant who is registered with LIBINCO as the dependent of an employee, in conformity with rules, regulations and standards generally applicable to schools in Liberia established by Government. LIBINCO shall collaborate with the Ministry of Agriculture, the Ministry of Education, and other relevant government ministries to determine the need for and the establishment of at least a Junior High School, based upon the student population within the concession area of LIBINCO within one year of the Regular Term to form part of the rolling development plan pursuant to Section 19.2.

8.2 LIBINCO shall establish an adult literacy program for its employees and the registered dependents of the employees with a budget of twenty-five thousand US dollars (US \$25,000) per annum during the

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rehabilitation period and Fifty thousand United States dollars (US\$50,000) per annum during the regular term.

### SECTION 9: EMPLOYMENT & TRAINING

9.1 Employment practices of LIBINCO Liberia shall conform to Law. Without minimizing its present standards as of the Effective Date, to the extent that such practices are consistent with this Section 9, LIBINCO shall provide capable and skilled personnel for all functions of its activities hereunder. Preference shall be given at all levels of financial, accounting, technical, administrative, supervisory, senior managerial and executive positions and other skilled positions to qualified Liberian citizens as and when they become available, it being the objective of the Parties as soon as is practicable that the operations and activities of LIBINCO under this Agreement, shall be conducted and managed primarily by Liberian citizens. LIBINCO shall cause Liberian citizens to hold at least 50% of the ten most senior positions within 5 years of the Effective Date, and 75% of such positions within 10 years of the Effective Date. Appointment of a Liberian to a particular position does not preclude subsequent employment of a non-Liberian in such position as long as the percentage requirements are otherwise met. As of the Effective Date of this Agreement the ten most senior positions are the President and Managing Director, the General Manager, the Comptroller, the Operations Manager, the Factory Manager, the Technical Services Manager, the Agricultural Operations Manager, the Research and New Development Manager, Personnel Manager/Human Resource manager, and Chief Accountant. The list of the ten most senior positions may be amended from time to time by agreement of the Parties.

9.2 Training -- In furtherance of the objective stated in Section 9.1, LIBINCO shall provide for the training of Liberians in order to qualify them for the positions described in that section and as required by LIBINCO's operations under this Agreement, provide on-the-job training, and utilize whatever other measures are necessary and reasonable to achieve the objective stated in Section 9.1 (including, subject to operational needs and economic conditions, scholarships for qualified Liberian employees to pursue relevant advanced studies). LIBINCO shall prepare (and revise when necessary) detailed plans and programs for such training, including timetables and schedules, as part of its reporting requirements under Section 19.3 hereof.

9.3 Compensation -- Compensation paid to employees of LIBINCO shall be subject to the provisions of Sections 18.1 and 18.3 of this Agreement and in accordance with Law. The compensation of such employees shall be the salary less the value of any goods and/or commodities including food and others supplies advanced by LIBINCO provided however that such goods and commodities so advanced do not include benefit such as, housing, medical care and/or education for their dependents, or any such benefits that are to be provided to them by LIBINCO as an incident of their employment.

### SECTION 10: USE OF LIBERIAN PRODUCTS AND SERVICES

10.1 LIBINCO shall, when purchasing goods and services required with respect to Production, give preference to Liberian goods produced in Liberia and services provided by Liberians resident in Liberia which are equal to or better than other comparable goods and services obtainable outside Liberia by the margin specified by the regulations promulgated under Article 45(3) of the Public Procurement and Concessions Commission Act of 2005. In addition, LIBINCO agrees to call the attention of its major contractors to the policy of Government to encourage the purchase of Liberian goods and services. Subject to the foregoing, LIBINCO may freely contract with any Person.

10.2 Purchase Price from Independent Liberian Farmers: LIBINCO shall have the non-exclusive right at all times to purchase, without limit, Oil Palm and Oil Palm Products from Liberian Oil Palm Farmers and others in Liberia and to process, market, sell, deal in and export all such Oil Palm and Oil Palm Products.

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- (a) The minimum purchase price of Crude Palm Oil from Liberian Oil Palm Farmers shall be the export sales price for such Oil Palm as calculated for Affiliate sales in accordance with the requirements of Section 6.4 less LIBINCO's applicable direct cost of processing, transportation, appropriate overhead and applicable Taxes and Duties, and a reasonable profit.
- (b) The minimum purchase price of unprocessed Fresh Fruit Bunches ("FFB") from Liberian Oil Palm Farmers and outgrowers shall be determined according to international practice for pricing of outgrower production, namely an agreed percentage of export sales price for CPO, as calculated for Affiliate sales in accordance with the requirements of Section 6.4, multiplied by the weight of CPO contained in the FFB's less the direct cost of transportation and applicable Taxes and Duties.
- (c) LIBINCO shall provide to the Minister of Agriculture and the Minister of Finance every three (3) months a summary of the basis on which it calculated its purchase prices of Oil Palm and Oil Palm Products for the previous three (3) months (including any allocations used in computing deductible costs and the basis for its determination of profit where applicable), the quantity of Oil Palm Products purchased by LIBINCO from Liberian Oil Palm Farmers and other Oil Palm farmers, the amount of taxes withheld under Law from Liberian Oil Palm Farmers and other Oil Palm farmers for remittance to Government, the number of Liberian Oil Palm Farmers and other Oil Palm farmers from whom Oil Palm Products were purchased and such other information as the parties shall agree is pertinent.

**SECTION 11: LIBERIAN PALM OIL MANUFACTURING FACILITIES**

11.1 Value Addition -- Within ten (10) years as of the effective date of this Agreement, or before the commencement of any corporate expansion activity pursuant to Section 12.3, LIBINCO shall cooperate with Government to explore the possibility of establishing manufacturing and/or processing facilities (i.e. soap factory and bio-fuel plants, etc) within Liberia which utilize crude palm oil or oil palm related Products taking into consideration the prospects of such production and the impact of such production on the development of Liberia.

11.2 Sales to Liberian Manufacturers -- If any manufacturing facility using processed Palm Oil as a basic material shall be established within Liberia to add value to crude oil or its derivatives, LIBINCO, subject to its prior contractual commitments, shall upon request by the Government sell to such manufacturers for use in their facilities situated in Liberia as follows:

(a) Upon ninety (90) days' Notice to LIBINCO, up to five percent (5 %) of LIBINCO's output, and

(b) Upon 6 months' Notice to LIBINCO, up to an additional five percent (5 %) of LIBINCO output during each calendar year.

Such sales shall occur upon such terms and conditions as may be agreed to between LIBINCO and such manufacturers; provided that the purchase price shall be based upon the average of the prices received by LIBINCO for the same grade and type of Oil Palm product shipped during the calendar month preceding the date of delivery to the purchaser, recalculated to an F.O.B. price at place of delivery.

**SECTION 12: COMMUNITY RESOURCES**

12.1 Economic and Social Viability -- It is the objective of the Parties that operations hereunder shall be carried out in a manner which is consistent with the continuing economic and social viability, both during the Term of this Agreement and thereafter, of centers of population which have formed and which may form as a result of such operations. Upon request of Government at any time, LIBINCO shall consult with Government to mutually establish plans and programs for the implementation of this

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objective, and thereafter LIBINCO shall in good faith cooperate with Government efforts concerning the realization of such plans and programs.

12.2 Support for Liberian Farmers – LIBINCO shall endeavor to liaise and collaborate with the Ministry of Agriculture to provide extension services to include proper farm management and the transfer of technology to Liberian farmers and to a reasonable extent with existing palm oil research institutions and centers in Liberia, shall where appropriate consider establishing or assisting in the establishment of additional palm oil research institutions or training centers in Liberia.

12.3 Outgrower's Program: The Government and LIBINCO shall assist Liberian small holders ("Outgrowers") in an outgrower's program the details of which to form part of the Development Plan pursuant to section 19.2. The Government shall provide additional public land up to fifty thousands (50,000) acres of land of which twenty-five (25,000) acres or fifty percent (50%) shall be used for LIBINCO's expansion purpose and twenty-five thousands (25,000) acres or fifty percent (50%) for the Outgrowers Program provided that the quantity of additional land cultivated by LIBINCO shall not exceed the quantity of land cultivated for the Outgrowers as reviewed every three years as of the effective date until all 50,000 acres of additional public land has been cultivated. LIBINCO shall undertake to plant 750 acres annually of land dedicated to the Outgrowers program based upon the availability of additional external funds to be secured through the collaborative efforts of LIBINCO and the Government from international bodies and other private institutions. LIBINCO shall provide reasonable support to such Outgrowers on a cost recovery basis and such support may include technical assistance, the provision of equipment, fertilizer, processing capacity, the sharing of expertise and the establishment of close working links with such Outgrowers including the provision of palm oil seedlings of the most scientifically advanced type planted by LIBINCO, provided however the cost of seedlings or cost of managing the seedlings during the gestation period shall be borne by third party donors, if available, or paid by the outgrower, at cost, on a prorated basis as agreed with LIBINCO. LIBINCO commits to purchase produce harvested from the outgrowers in accordance with the terms of this Agreement.

### SECTION 13: ENVIRONMENTAL MANAGEMENT

13.1 LIBINCO's obligations with respect to the environment shall be as prescribed by Law including the Forestry Law and the Environmental Protection and Management Law.

13.2 LIBINCO shall take reasonable measures to ensure that Production does not cause unreasonable risks to public health or unreasonable damage to the environment. Unless LIBINCO demonstrates that a particular measure is unreasonable, it shall employ measures as protective as those employed by Persons in Liberia and elsewhere engaged in the production and processing of Oil palm on a basis similar to Production under this Agreement.

13.3 LIBINCO shall conduct an annual environmental audit to be incorporated into the Development Plan Report.

13.4 Government shall, pursuant to Sections 3.6 and 3.9, take such action as is necessary to protect LIBINCO from the actions of any Person that causes unreasonable risks to public health or unreasonable damage to the environment in or bordering the Concession Area.

### SECTION 14: ADEQUATE CAPITAL

LIBINCO Shall maintain an adequate capital structure. The debt to equity ratio shall not exceed 3:1.

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**SECTION 15: INCOME TAXATION**

15.1 Income Tax Rate -- LIBINCO shall be taxed on its net taxable income in accordance with the Tax Law of general application provided the aggregate rate of tax applicable to its net taxable income shall not exceed thirty (30) percent for the Rehabilitation and Regular term of this Agreement.

15.2 Determination of Taxable Income -- LIBINCO's net taxable income shall be computed in accordance with the law of general application except as provided in Section 15.3.

15.3 Loss Carried Forward: The loss carried forward period shall be extended for a period of 5 years starting from the first year in which LIBINCO has taxable income under the Law of General Application. Thereafter LIBINCO shall be subject to the laws of general application.

**SECTION 16: SURFACE RENTAL**

16.1 Rehabilitation Term -- During the Rehabilitation Term, LIBINCO shall pay to Government, during each calendar year, for all Government Land included within the Concession Area, a surface rental equal to one United States dollar (US\$ 1.00 ) per developed acre, and fifty cents (US\$ 0.50) per undeveloped acre.

16.2 Regular Term: During the Regular period, LIBINCO shall pay to the Government two United States Dollars (US \$ 2.00) per developed acre and one dollar (\$1.00) per acre for undeveloped areas

16.3 Inflation: All surface rentals shall be adjusted once every five years to reflect the rate of inflation in Liberia, as calculated by the "Liberian GDP Implicit Price Deflator" or such other index as the parties may agree but such adjustment not to exceed 20% for any 5 year period. Any obligation to pay surface rental with respect to any land leased to LIBINCO pursuant to Section 3.2 shall be as set forth.

16.4 Payment -- All such rentals shall be payable annually in advance, on or before January 15th of the year for which payment is being made, to the Ministry of Finance of Liberia.

**SECTION 17: OTHER PAYMENTS TO GOVERNMENT**

17.1 Import Duties -- LIBINCO shall be exempt from payment of such import duties as are generally applicable under Law in Liberia on items of agricultural, industrial machinery, products, capital spare parts, supplies and equipment, and raw materials used in Production and LIBINCO Activities (including but not limited to tractors, bulldozers, graders, four-wheel drive vehicles, seeds, fertilizer, oil mills, sterilizers, oil transport tankers and other such items) for the Rehabilitation period based on approved list of items hereto attached in Schedule "A" and thereafter the law of general application shall apply. LIBINCO is not required to pay any duty on medical and educational products, supplies.

17.2 Petroleum Levy: LIBINCO shall pay taxes on petroleum according to the law of general application.

17.3 Withholding Tax on Interest and Dividend -- LIBINCO shall withhold ten percent (10%) tax on any interest paid to non-resident persons and institutions during the rehabilitation period thereafter the Law of General Application shall apply. Multi-lateral financial or development institutions, but not commercial banks, shall be exempt from this withholding tax during the term of the Agreement.

17.3.1 LIBINCO shall withhold ten percent (10%) tax on any dividend distributed during the rehabilitation period thereafter the Law of General Application shall apply.

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17.3.2 Withholding Tax on Other Income: -- LIBINCO shall withhold ten percent (10%) of payments to Non-resident Contractors and eight percent (8%) of payment for resident Contractors during the rehabilitation period, thereafter the Law of General Application shall apply.

17.4 Community Development Fund – LIBINCO shall contribute one percent (1%) of its annual gross sale to a community development fund during the Regular Term.

17.5 Oil Palm Development Fund – LIBINCO shall contribute half of one percent (50% of 1.0%) of its annual gross sales to an oil palm development fund during the Rehabilitation Period, and one percent (1%) of annual gross sales during the Regular Term.

17.6 ECOWAS Levy – LIBINCO shall be subject to the ECOWAS trade levy.

17.7 Inspection Fees – LIBINCO shall utilize the services of the inspection company designated by the Ministry of Finance.

17.8 Turnover Tax: LIBINCO shall pay two percent (2%) turnover tax during the Rehabilitation period to be applied against future tax obligations and thereafter the law of general application shall apply.

17.9 Goods & Services Tax: LIBINCO shall be exempt from Goods and Services Tax during the rehabilitation period on capital goods or materials and supplies used directly for production, or to social obligations as listed in and according to the terms of Schedule A and shall thereafter comply with the law of general application.

17.10 Capital Incentives and Allowances: During the Rehabilitation period, LIBINCO shall be entitled to;

- (a) In addition to any capital incentive deduction allowed under Section 204 (d), of the Revenue Code of 2000 and subject to that subsection's tax cost reduction rule but without the limits specified in section 204 (d), there is allowed an incentive deduction of 30% of the purchase price of equipment and machinery used in the activities in the year that qualifying asset is placed in service.
- (b) In addition to the incentive deduction allowed under Sections 204 (d) and 204 (e) (2) (A) an additional five percent (5%) zonal incentive deduction on all capital expenses incurred in Grand Bassa County.
- (c) When certified by the Minister of Finance, LIBINCO shall be granted an additional five percent (5%) incentive deduction for investment activities provided LIBINCO employs more than one thousand (1,000+) people in Liberia

17.11 Customs Users Fee: LIBINCO shall be subject to the Custom Users Fee as per the law of general application .

#### SECTION 18: FINANCIAL REPORTING AND CURRENCY

18.1 Accounting – All of LIBINCO's accounting under this Agreement shall be in Dollars and all amounts paid or received, and obligations incurred or transactions carried out, in Liberian Currency or other currencies shall be converted to Dollars in accordance with and pursuant to generally accepted accounting principles (except to the extent inconsistent with the terms of this Agreement) based upon the Prevailing Market Rate of Exchange between Dollars and any such currency.

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18.2 Exchange Control – LIBINCO shall at all times have the right, without restriction, directly or indirectly, by Government, to obtain, hold, deal with and disburse funds in such manner, currencies and places as they choose. Without prejudice to the generality of the foregoing, LIBINCO shall have the unrestricted and unencumbered right to sell and receive payment for Oil Palm Products and other Agricultural Products in any currency, including the currency in which the Oil Palm Products and other Agricultural Products are sold. All proceeds from such sales may be deposited in non-Liberian bank accounts and held there or remitted to bank accounts anywhere in the world, in any currency. Notwithstanding the foregoing, LIBINCO shall have the right to acquire and sell Liberian Currency from sources other than Government at the Prevailing Market Rate of Exchange on the date of acquisition. Additionally, any and all transactions between Government and LIBINCO dealing with or referring to Liberian Currency shall be converted to Dollars at the Prevailing Market Rate of Exchange as of the date of the transaction.

18.3 Currency of Payment – Except as otherwise provided below, LIBINCO shall pay its obligations to Government in Dollars, including obligations for Taxes and Duties payable under Sections 15, 16, and 17 hereof. Any obligation originally stated in Liberian Currency shall be converted to Dollars at the Prevailing Market Rate of Exchange. Notwithstanding the foregoing, LIBINCO shall make payments of sums it collects on behalf of Government, including, but not limited to, taxes withheld from the salaries or wages of employees of LIBINCO, and any other sums payable to other Persons from which a portion is required by Law to be withheld or retained by LIBINCO on behalf of Government, in the currency in which such salaries or wages or such other sums are paid. For purposes of determining compliance by LIBINCO with any Law (including without limitation any Law determining minimum wages) or satisfaction by LIBINCO of any contractual obligation, the amount of any payment by LIBINCO made in Dollars shall be converted to Liberian Currency at the Prevailing Market Rate of Exchange as of the date of such payment.

18.4 Right to Remit and Receive Payments – LIBINCO shall have the right to remit and receive in Dollars all payments of dividends, interest, principal and other properly payable items arising from or as a result of, or related to, LIBINCO Activities, and to do so free of Taxes and Duties on such remittances or receipts except as permitted by this Agreement; and without penalties, required total or partial surrender, exchange or confiscation of such Dollars, or other direct or indirect restrictions on such remittances or receipts.

#### 18.5 Audit

(a) LIBINCO shall cause its books of account to be audited within 3 months, or such longer period of time as the Minister of Finance may approve, after the close of each fiscal year by an independent auditor (which shall be a reputable accounting firm selected by LIBINCO) and a copy of the annual financial statement duly certified by said auditor which shall be made public and any management letters or similar communications shall be furnished to Government within such period as provided by law after its receipt by LIBINCO. Government shall have the right freely to discuss with the said auditor the results of the audit and certification. LIBINCO shall take all reasonable measures to ensure that said auditor shall cooperate fully in such discussions. The foregoing shall not in any way imply acceptance of any such audit or certification by Government or preclude Government from auditing such books of account as provided under Law, provided that Government shall provide LIBINCO with a copy of any such audit within 45 days of receipt. However, once either Government or LIBINCO has audited any book of accounts, the financial statement thus audited shall be considered acceptable and the audit results binding and conclusive as to its findings, unless a Party shall have indicated to the contrary within 3 years after its receipt of a copy of the audited financial statement.

(b) If LIBINCO has, pursuant to this Agreement, underpaid its income tax liability, Government may, subject to Law, assess interest and penalties. If LIBINCO has overpaid its income tax liability, then it shall be entitled subject to Law to reimbursement or, in its discretion,

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to a credit in the amount of such overpayment against any Taxes and Duties that it owes Government.

(c) Conformance to Law: Except as specifically provided in this Section 18, the obligations of LIBINCO shall be as prescribed by Law including the Financial Institution Act of Liberia.

#### **SECTION 19: RECORDS, REPORTS AND INSPECTION**

19.1 Maintenance of Records – LIBINCO shall maintain at its principal office in Liberia or, upon prior Notice to Government, at any other office in Liberia:

(a) An original of all scientific, agricultural, operational, technical, industrial and commercial records, studies and reports (except correspondence) received or compiled by LIBINCO in connection with its operations under this Agreement (together with any relevant underlying data); and

(b) Complete, accurate and systematic financial records of all of its transactions, worldwide, relating to its operations under this Agreement, including all sales of Oil Palm Products to LIBINCO customers or any sales by Affiliates of Oil Palm Products where such sales are used to compute any item of income, deduction or other amount affecting the liability of LIBINCO and of such books of account and other financial records of operations as may be required by Law.

19.2 Development Plan – LIBINCO shall submit an annual rolling 5-year development plan (the "Development Plan") which will include those items specified in Schedule B or as may be otherwise agreed by the Parties from time to time. Once submitted, the Development Plan shall be subject to review and comment, but not approval, by Government, except as provided for in this Agreement. Any reporting requirements which require approval by Government according to Law or this Agreement shall be reported separately as specified by Law or this Agreement.

19.3 Reports – LIBINCO shall submit such reports to Government, in such form, in such detail and at such times as Government may reasonably require, with respect to the subjects specified in Schedule "C" attached hereto or such other subjects as may be otherwise agreed by the Parties from time to time ("LIBINCO Activity Report"). To the extent that reporting requirements for the Development Plan and Reports on LIBINCO Activities overlap in frequency and content, they shall be included only in the Development Plan with appropriate reference. This Section 19.3 shall not relieve LIBINCO of its obligations to make such other reports as may be required by Law to such persons as designated by Law.

19.4 Inspection – Government may, through its authorized representative, at any reasonable time upon not less than 24 hours Notice, inspect the records of LIBINCO described in Section 18 hereof and (to the extent Production is not unreasonably disrupted) any and all facilities and areas related to any of the operations hereunder: LIBINCO shall make all reasonable arrangements to facilitate any such inspection and shall make its appropriate employees available to render assistance with respect to any such inspection.

19.5 Confidentiality – Trade secrets as is generally accepted in the Oil Palm industry to include marketing strategy, customer listing, processing information, etc shall be designated as confidential and shall be used only for the purpose for which it was obtained and shall be maintained in confidence as to third parties by Government and its representatives except as may otherwise be required by a final, non-appealable order of any court having jurisdiction. Should any Person make a demand upon Government in the course of litigation or apply to any court in Liberia for the production of such confidential information, Government shall timely provide Notice to LIBINCO prior to revealing such information so that LIBINCO may have an opportunity to intervene in the matter.

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**SECTION 20: ASSIGNMENT**

20.1 This Agreement and any right or interest herein shall not be sold, transferred or otherwise assigned, mortgaged, pledged or otherwise encumbered, by LIBINCO to any person, firm, group, or trust without the prior written consent thereto by Government of which written consent shall not be unreasonably withheld.

**SECTION 21: FORCE MAJEURE**

21.1 Definition - The term "force majeure" as used in this Agreement shall mean acts of God, major breakdowns in the factory or other Infrastructure required to maintain Production, accidents, wars, acts of war, invasions, acts of public enemies, hostilities (whether war is declared or not), terrorist acts or serious threats against the safety of LIBINCO's employees or assets, trade or commercial or other restrictions imposed either by any sovereign, embargoes, blockades, revolutions, riots, civil commotions, sabotage, prolonged strikes or other industrial, labor or employer-employee disputes, fires, explosions, unavailability of or interference with the usual means of transporting Agricultural Products, shortages of materials required for Production, earthquakes or any other natural disasters, expropriation of facilities or goods, epidemics, public health emergencies, a major botanic disease that cause considerable loss to the Concessionaire, and any similar cause, provided any such cause was not within the reasonable control of the Party claiming suspension and could not have been avoided or overcome by such Party through the exercise of due diligence.

21.2 Application: In the event of any Party being rendered unable, in whole or in part, by force majeure to carry out its obligations under this Agreement, other than an obligation to make payments of money due hereunder that accrued prior to the commencement of force majeure, such Party shall give Notice and the particulars of such force majeure in writing to the other Parties as soon as practicable after its occurrence. Thereafter, any obligation of the Party giving Notice of force majeure that said Party is unable to carry out because of such force majeure shall be suspended during the continuance of any inability so caused, but for no longer period, and such/inability shall, as far as practicable, be remedied with all reasonable dispatch. All time periods specified in this Agreement for the performance of obligations or the enjoyment of rights that are affected by force majeure, except in connection with an obligation to make payments of money that accrued prior to the commencement of force majeure, but including the Term of this Agreement, shall be extended by the period of time the inability caused by such force majeure exists. Sixty days after giving Notice to Government, LIBINCO shall each have the right to terminate this Agreement without further obligation or cost (except for obligations and costs that accrued prior to the commencement of force majeure) if a condition of force majeure has existed for a period of one year or more which renders Production impracticable or unprofitable, or prevents Production, the export or sale of Oil Palm or the exercise by LIBINCO of a substantial part of their rights under this Agreement.

21.3 Cessation: At the cessation of the Force Majeure, and after being duly notified by the Government of the cessation of the Force major in writing, the failure of the Concessionaire to commence operation within six (6) months shall constitute ground for the cancellation.

**SECTION 22: TERMINATION**

This Agreement shall terminate at the end of its term as set forth in Section 2 hereof, or may earlier terminate as provided below:

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22.1 Termination by LIBINCO - Notwithstanding any other provision of this Agreement, LIBINCO shall have the right to terminate this Agreement at any time, either in its entirety or as to any part of the Concession Area, and without cause or liability to Government, subject to this Section 22, either three hundred sixty-five (365) days after giving Notice to Government or alternatively pursuant to the provisions of Section 21, provided that in the case of any partial termination the Government may elect to treat such partial termination as a termination in its entirety by LIBINCO. Any such termination shall be subject to the obligations of LIBINCO under this Agreement that accrued prior to the date of termination, including their obligations under sections 22.5 and 23.

22.2 Termination by Government -- Subject to the provisions of Section 22.3, Government shall have the right to terminate this Agreement if any of the following events (hereinafter called "Events of Default") shall occur and be continuing:

a) LIBINCO shall fail to comply with its material obligations under this Agreement and such failure shall have a materially adverse effect on Government to include but not limited to:

(i) Failure to pay the acreage rental fee due and payable during the concession period as stipulated in Sections 3.2 and 16

(ii) Failure to clear and plant the acreage as stipulated in Sections 6.6 & 6.7

(iii) Failure to invest as stipulated in Section 6.1 or pursuant to section 19.2

(iv) Violation of other clauses of the present agreement and fails to cure after being duly notified in keeping with the provisions of this agreement;

b) LIBINCO shall voluntarily make an assignment of all or substantially all of its assets for the benefit of creditors other than an assignment made to secure indebtedness incurred in the ordinary course of business; file a petition or application to any tribunal for the appointment of a trustee or receiver for all or any substantial part of LIBINCO's assets; commence any proceedings for its bankruptcy, reorganization, arrangement or insolvency under the laws of any jurisdiction, whether now or hereafter in effect, or if any such petition or application is filed, or any such proceedings are commenced against it, indicate its approval thereof, consent thereto or acquiescence therein, which proceedings are not dismissed within ninety (90) days of commencement; or if any order is entered appointing any such trustee or receiver, or adjudicating LIBINCO bankrupt or insolvent, or approving the petition in any such proceedings, permit such order to remain in effect for more than ninety (90) days.

(c) If LIBINCO shall cease Commercial Production for a period of 365 or more consecutive days, unless such cessation is consented to by Government or is caused by Force Majeure.

22.3 Opportunity to Cure--In the case of an alleged Event of Default described in Section 22.2, Government, before taking any further action, shall provide Notice to LIBINCO of such alleged occurrence of such Event of Default and of Government's views in that regard and shall offer LIBINCO a fair opportunity to consult with Government to resolve the matter. If, after a reasonable period of time of consultation, Government is of the reasonable opinion that the matter cannot be resolved by further consultation, Government may then send to LIBINCO notice of Government's intention to terminate this Agreement. If the Event of Default is not cured within sixty (60) days after said Notice of Government's intention to terminate, or within such longer period as may be necessary to allow a reasonable period of time to effect such cure, then this Agreement shall be terminated.

22.4 Disputes Regarding Events of Default -- Notwithstanding the provisions of Section 22.2, if LIBINCO disputes whether there has been an Event of Default described in Section 22.2 and within sixty (60) days after receipt by LIBINCO of Government's Notice of its intention to terminate refers such dispute to arbitration in accordance with Section 24 then termination of this Agreement shall not take

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effect until the finality of, and in accordance with, an arbitration award upholding Government's right to terminate.

#### 22.5 Winding-up Commission-

(a) At the time of Notice of any termination or non-renewal of this Agreement, pursuant to its terms, the Parties shall set up a winding-up commission (hereinafter referred to as the "Commission") which shall consist of the Minister of Agriculture as Chairman of the Commission, the County Superintendent and two (2) additional members to be appointed by the Government and four members to be appointed by LIBINCO. Each member of the Commission, including the chairman, shall have only one vote.

(b) The chairman of the Commission shall issue a Notice and agenda for the first meeting of the Commission, which shall be held no later than three (3) weeks after the establishment of the Commission. Thereafter the Commission shall hold periodic meetings at least once a calendar month.

(c) LIBINCO shall present to the Commission a detailed report on the status of the operations of LIBINCO under, this Agreement so that the Commission will be able to make recommendations to Government on steps, which Government might take under the circumstances with a view to preserving the viability of the enterprise, employment in the area and the centers of population.

(d) At the request of Government, the Commission shall establish plans for the full or partial cessation of operations including, but not limited to, the disposition of assets and their demolition and/or removal according to this Section 22 and Section 23.

(e) At the request of either Party, any meeting of the Commission shall be held outside Liberia, and the requesting Party shall be responsible for the travel cost of the participants.

(f) LIBINCO may elect not to participate on the Commission, in which event their obligations under this Section 22 shall be limited to providing the information required in Section 22 (c) above.

22.6 Contract Remedies Preserved The termination rights provided in this Section 22 are in addition to, and not in derogation of, any remedial right to damages which either Party may have, pursuant to Sections 24.7 and 25, and applicable Law as set forth in Section 27 below, for a breach by the other Party of this agreement.

### SECTION 23: DISPOSITION OF ASSETS

23.1 Non-Movable Assets -- Upon termination of this Agreement, and subject to Section 2.3, all permanent non-movable tangible assets of LIBINCO in the Concession Area, which are not otherwise the property of Government, shall become the property of Government without charge. Oil palm trees are permanent non-movable assets as used in the preceding sentence. In the event of a breach by either Party, the value of the non-movable assets shall be taken into account in any award of damages pursuant to 22.6 and Section 24.7.

23.2 Movable Assets -- At any time after termination of this Agreement and with respect to each movable asset of LIBINCO in Liberia, which either of them desires to sell (other than to one another, or the successor of either, at fair market price), Government shall have the first option to purchase such asset at the fair market price thereof, such price to be paid in Dollars. If Government does not exercise such option within ninety (90) days after being informed by LIBINCO that it desires to sell such asset, then LIBINCO, as the case may be, may sell such asset to any other Person, including Government, for such price as it may be able to obtain therefor, or remove such asset from Liberia. The proceeds of any such sale shall accrue to the seller. If Government purchases any such asset, it shall pay the purchase

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price within sixty (60) days after such price has been agreed upon or determined, unless the Parties otherwise agree.

23.3 Removal of Movable Assets -- Government, by Notice to LIBINCO within a reasonable period but not to exceed one (1) year after termination of this Agreement pursuant to Section 22, may require reasonable disposal or removal, in accordance with Law, of any or all assets, including unusable assets, remaining within the Concession Area after total disposition of assets in accordance with this Section 23, and if LIBINCO does not reasonably dispose of or remove such asset or assets within a reasonable period after said Notice, Government may effect such reasonable disposal or removal at the expense of LIBINCO and LIBINCO shall not be entitled to any income realized from the salvage value of such assets.

#### SECTION 24: ARBITRATION

24.1 Submission to Arbitration -- Any dispute between Government and LIBINCO (including, but not limited to, any dispute concerning an actual or purported act or omission by LIBINCO arising out of, in relation to or in connection with this Agreement or its formation, or the validity, interpretation, performance, termination, enforceability or breach of this Agreement which is not specifically provided elsewhere in this Agreement for resolution by submission to an expert, shall be settled by binding arbitration under the rules of the Center in effect on the Effective Date (the "Rules"). The law applicable to any arbitration shall be determined pursuant to Section 27 below. In the event of any conflict between the Rules and this Section 24.1, the provisions of this Section shall govern.

24.2 The Parties agree that this Agreement and LIBINCO's operations pursuant hereto constitute an "investment" by reason of the expenditure of a considerable amount of money in Liberia and that for purposes of Article 25(1) and 25(2) of the Convention with respect to the jurisdiction of the Center pursuant to the Convention, any dispute subject to this Section 24 is a legal dispute arising directly out of an investment between a contracting state and a national of another contracting state and LIBINCO is and shall at all times remain a national of another contracting state by reason of foreign control. Either of the Parties to such dispute may institute arbitration Proceedings by giving Notice to the other Party and notice to the Secretary-General of the Center including in each a statement of the issues in dispute.

24.3 Nationality— Notwithstanding the incorporation in Liberia of LIBINCO, LIBINCO shall be treated as a Person that is a national of the United States of America for purposes of the Convention and of this Agreement.

24.4 Arbitrators -- Any arbitral tribunal constituted pursuant to this Agreement shall consist of one (1) arbitrator to be appointed by Government, one (1) arbitrator to be appointed by LIBINCO and one (1) arbitrator, who shall be the president of the tribunal and shall be a citizen neither of Liberia nor of the United States, to be appointed by the Secretary-General of the Center with the consent of both Parties. No such arbitrator shall have an interest in the matters in dispute.

24.5 Referee -- At the request of any Party, any matter otherwise subject to arbitration under this Agreement shall instead be referred for resolution to a single referee to be appointed by the Secretary-General of the Center, or of any successor entity as provided for by Section 24.11 below, except for any dispute arising out of or related to Sections 2, 3, 5, 15, 16, 17, 18, 19, 20, 22, 23, 25, 26, 28, & 30 of this Agreement, which must be referred to arbitrators appointed pursuant to Section 24.4 above unless the Parties agree that any such dispute is not material, in which event it may be referred to the Referee for decision. The decision of the Referee shall be final and binding unless appealed by any Party or by LIBINCO to arbitrators appointed as provided in Section 24.4, who shall examine the Referee's decision only as to manifest error of law, findings of fact that are not supported by any credible evidence, and abuse of authority, misconduct or other unauthorized act by the Referee.

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24.6 Venue -- Arbitration proceedings conducted pursuant to this Agreement shall be held at the Center, in Washington, D.C., or such other place as the Parties may agree, subject to the approval of the Center and the arbitral tribunal appointed pursuant to this Section 24 and shall be conducted in the English language. The costs of the proceedings shall be assessed and borne in such manner, as the arbitral tribunal shall decide. Any procedural issues that cannot be determined under the arbitral rules of the Center shall be determined pursuant to applicable law as set forth in Section 27.

24.7 Award -- The arbitrators shall, by majority vote, render a written decision stating the reasons for their award within three (3) months after any hearing conducted has been concluded. Any monetary award shall be assessed and payable in Dollars (determined at the Prevailing Market Rate of Exchange if the award involved an obligation expressed in any currency other than Dollars) through a bank designated by the recipient, and any award to LIBINCO shall be subject to any Taxes and Duties.

Each Party shall bear its own costs and attorney fees. Neither Party shall have any liability for either consequential damages (except for purposes of setoff) or exemplary or punitive damages, but interest at a rate not to exceed the London Interbank Offering Rate (LIBOR) existing at the time of such award, plus one (1) percentage point multiplied by the amount of the award shall be assessed from the date of any monetary award until its satisfaction. If LIBOR should cease to be reported, then the rate to be applied shall be another agreed substitute rate. In any case, the liability of LIBINCO or the Government shall not exceed the net book value of LIBINCO (determined pursuant to generally accepted accounting principles) at the time of the award. If the decision of the arbitral tribunal is adverse to either Party, then the arbitral tribunal may, in its discretion, specify a reasonable period of grace to cure any defect or default on the part of either of them in their obligations, provided that such period of grace shall not exceed one hundred and eighty (180) days for the making of any payment required by such award.

24.8 Waiver of Sovereign Immunity -- Government hereby irrevocably waives any defense of the act of state doctrine to all claims of immunity from the arbitrators' jurisdiction and from the enforcement of any arbitral award rendered by a tribunal constituted pursuant to this Agreement, including, but not limited to, immunity from service of process, immunity from the jurisdiction of any court situated in any state, country or nation and immunity of any of its property from execution with respect to the entry, recognition or enforcement of an award made by such tribunal.

24.9 Reservation of Rights -- The right to refer a claim or dispute to arbitration hereunder shall not be affected by the fact that a claimant or respondent has received full or partial compensation from another Person for a loss or injury that is the object of the claim or dispute, and any such other Person may participate in such proceedings by right of subrogation.

24.10 Nature of Award -- It is agreed by the Parties that the arbitral award of any arbitral tribunal constituted pursuant to this Agreement may contain such orders (including, but not limited to, orders for specific performance except in the case of Government where national security and public safety are concerned, other equitable relief or monetary damages) in respect of or affecting any of the Parties, (and/or any loss or damage suffered by any of them), as such arbitral tribunal determines to be appropriate in the circumstances. The Parties, subject to their respective obligations contained elsewhere in this Agreement, shall take all such actions as are necessary to give full and complete effect to the award which, in accordance with its terms, shall be binding upon and enforceable against them.

24.11 Successors - The consent to the jurisdiction of the Center as set forth in this Section 27 shall equally bind any successor or successors-in-interest to either Party to this Agreement. Should the Center be replaced by, or its functions be substantially conferred upon or be transferred to, any new international body of a similar type and competence, the Parties shall have the right to submit any dispute to such body for settlement by arbitration in accordance with the foregoing provisions of this Section 24. Should the Centre cease to exist entirely without replacement, then any Party may submit any dispute arising under this Agreement to the International Chamber of Commerce for arbitration in accordance with the terms hereof and its rules of procedure, or to such other arbitrators as the Parties shall agree upon. In all

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circumstances, however, the right to arbitration set forth herein shall remain at all times fully binding on both Parties.

### **SECTION 25: INDEMNIFICATION**

25.1 LIBINCO shall at all times indemnify and hold Government harmless from all claims and liabilities as a result of contractual breaches by LIBINCO to third parties or by the Government authorized representation of LIBINCO.

Government Indemnity: Government shall at all times indemnify and hold harmless LIBINCO from all claims and liabilities as a result of contractual breaches caused by the Government to third parties or by LIBINCO authorized representation of Government.

### **SECTION 26: NOTICES**

#### 26.1 Written Communications –

(a) All orders, approvals, declarations and/or notices of any kind required, expressly authorized or provided under this Agreement (hereinafter each referred to as a "Communication") between Government and LIBINCO shall be in writing delivered by hand, by fax, by postage prepaid, registered mail, by any other means of communication agreed upon by the Parties, or shall be made pursuant to Section 26.2. Any Communication sent by Government shall be signed on behalf of Government by any one of the Persons designated as the Minister pursuant to Section 1.24, and any Communication sent by LIBINCO shall be signed on behalf of LIBINCO by either the Managing Director of LIBINCO or a Chairman of LIBINCO.

(b) A delivery of a Communication to a Party shall be deemed to have occurred in any of the following circumstances:

(i) The Communication has been sent pursuant to Section 26.2 below;

(ii) The Minister, in the case of the Government, or the Managing Director of LIBINCO, or Chairman of LIBINCO, has signed a return receipt of registered mail;

(iii) A fax confirmation of receipt has been electronically issued to the sender indicating receipt of a Communication sent via receiving fax device at a fax number authorized hereby;

(iv) Verification of receipt of the Communication has been obtained in any manner specifically agreed to in writing by the Parties; or

(v) A Party has directly or indirectly acknowledged receipt of the Communication in writing.

(c) All Communications from Government to LIBINCO shall be sent to the following addresses:

Mr. J. H. Jaoudi  
LIBINC Oil Palm Inc.  
Hard Rock Compound  
UN Drive, Mamba Point  
Monrovia, Liberia

And copy to;

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*Handwritten signature:* [Signature]

*Handwritten signature:* [Signature]

Mr. J. H. Jaoudi  
LIBINC Oil Palm Inc.  
2216 Via Subria  
Vista, CA 92084  
Phone 760-758-5049  
Fax 760-630-0449  
Telefax (Country and City Code 231) 22 67 15 and

(d) All Communications from LIBINCO to Government shall be sent to the following address:

The Minister of Agriculture  
Ministry of Agriculture  
19 Street, Sinkor  
P.O. Box 10-9010  
Monrovia, Republic of Liberia

And

The Minister of Finance  
Ministry of Finance  
Broad Street  
P.O. Box 10-9013  
Monrovia, Republic of Liberia

And

The Chairman, National Investment Commission  
National Investment Commission  
12 St. Sinkor  
P.O. Box 10-9043  
Monrovia, Republic of Liberia

With copy to

The Minister of Justice  
Ministry of Justice  
Ashmun Street  
Monrovia, Liberia

26.2 Change of Address -- Either Party may, upon prior Notice to the other Party, at any time, change the designation of the Person named to receive Communications from the other Party, the address and/or telefax number of the office in Liberia and the United States authorized to receive such Communications or the address or addresses and/or telefax number or numbers of the offices to which copies of Communications from Government, to LIBINCO are to be delivered.

#### SECTION 27: GOVERNING LAW

27.1 Applicability of Liberian Law -- Except as explicitly provided in this Agreement, LIBINCO and its Associates shall be subject to all of the laws of Liberia as in effect from time to time, including with respect to labor, environmental, health and safety, customs and tax matters, and shall conduct itself in a manner consistent with Liberia's obligations under international treaties and agreements.

27.2 Construction and Interpretation -- This Agreement and the rights, obligations and duties of the Parties hereunder shall be construed and interpreted in accordance with Law and by such rules and

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principles of international law as may be applicable, particularly with regard to an investment by nationals of one country in another country. Notwithstanding the foregoing, in the event of a conflict between this Agreement or the rights, obligations and duties of a Party under this Agreement, and any Law, including administrative rules and procedures and matters relating to procedure, or applicable international law, then this Agreement shall govern the rights, obligations and duties of such Party.

#### SECTION 28 PERIODIC REVIEW

28.1 Profound Changes in Circumstances – For the purpose of considering Profound Changes in Circumstances from those existing on the Effective Date or on the date of the most recent review of this Agreement pursuant to this Section 28 Government on the one hand and LIBINCO on the other hand, shall at the request of the other consult together. The Parties shall meet to review the matter raised as soon after such request as is reasonably convenient for them both. In case Profound Changes in Circumstances are established to have occurred, the Parties shall effect such change in or clarification of this Agreement that they agree is necessary. For purposes of this Agreement, the term “Profound Changes in Circumstances” shall mean such changes in the economic conditions of the Oil Palm industry worldwide or in Liberia, or such changes in the economic, political or social circumstances existing in Liberia specifically or elsewhere in the world at large as to result in such a material and fundamental alteration of the conditions, assumptions and bases relied upon by the Parties at the time during which they entered into this Agreement (or the time after any subsequent review under this Section 28) that the overall balance of equities and benefits reasonably anticipated by them will no longer as a practical matter be achievable.

28.2 Other Consultation – In addition to the consultation provided by Section 28.1, each Party may at any time request a consultation with the other Party with respect to any matter affecting the rights and obligations of the Parties pursuant to this Agreement or any matter relating to LIBINCO’s Activities. The Parties shall meet to review the matter raised as soon after such request as is reasonably convenient for them both. Subsequent to such consultation, the Parties shall take such action, if any, that is mutually agreed to address the matter.

#### SECTION 29: AFFIRMATIONS

29.1 Binding Effect : Upon signature by the Persons described in this Agreement as signatories for the Parties and upon fulfillment of other procedural provisions in accordance with law, this Agreement shall become binding and effective.

29.2 Obligations of Government: The Government hereby undertakes and affirms that at no time shall the rights and the full and peaceful enjoyment thereof granted by it under Section 15 (Income Taxation), and Section 17 (Other Payments to the Government) of this Agreement be derogated from or otherwise prejudiced by any law or the action or inaction of the Government, or any official thereof, or any other person whose actions or inactions are subject to the control of the Government. To the extent there is inconsistency between the tax corpus, as defined in Section 15, and the Agreement, the Agreement shall govern. All matters governed by the Tax Corpus but not specifically addressed herein, shall be governed by the Tax Corpus as in effect as of the date of this agreement

29.3 Necessary Acts – Each Party shall execute such documents, grant such authorizations, licenses and approvals and do such other and further things as may be necessary to give full and complete effect to the provisions of this Agreement.

29.4 Protection Against Nationalization or Expropriation – Government undertakes and affirms that it shall not nationalize or expropriate:

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Jay

ADJ  
AmS.

(a) Any Infrastructure or other property, movable or immovable, of LIBINCO, their respective Affiliates and those of their respective employees, agents or representatives, to the extent connected with or affecting the activities of either LIBINCO or associates;

(b) Palm Oil Products in any form resulting from the activities of LIBINCO;

(c) Any equity, shares or ownership interests of whatever nature owned, held in or issued by LIBINCO;

(d) Any structure or entity put in place by LIBINCO in connection with Production; and

(e) Any capital invested by LIBINCO or any Affiliates of either of them in the Republic of Liberia. Nothing in this Section 29.4 shall prohibit the Government from taking title to non-movable tangible assets of LIBINCO upon termination of this Agreement as provided in Section 23. 1.

29.5 Government acknowledges and agrees that LIBINCO may use or procure the assistance of non-government organisations to fulfill its obligations under this Agreement.

### SECTION 30: ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement between the Parties with respect to its subject matter, and supersedes any prior Concession agreement between them. Any purported amendment to this Agreement shall be null, void and of no force or effect unless in writing signed by the Parties. This Agreement is binding upon the Parties and their respective successors and assigns. No Party may unilaterally alter the rights granted under this Agreement. Unless otherwise agreed in writing by the Parties, no failure by a Party to exercise, nor any delay by a Party in exercising, any right, nor any forbearance shown a Party, shall operate as a waiver of any right nor preclude the further or future exercise of any right.

### SECTION 31: SURVIVAL AND SEVERABILITY PROVISIONS

31.1 Severability – Should any section of this Agreement, or any provision or term of any section, be found, pursuant to Section 24, to be void, invalid or unenforceable, in whole or in part, then the remaining sections, and those unaffected provisions or terms of any other sections which contain some void, invalid or unenforceable provisions or terms, shall nevertheless remain valid and subsisting and shall be construed as if this Agreement had been executed without such void, invalid or unenforceable sections, provisions or terms. Any otherwise void, invalid or unenforceable section, term or provision of this Agreement shall be so construed, or reformed, as to alter, amend or change any such term, provision or condition to the extent necessary to render it valid, lawful and enforceable, while also giving maximum effect to the Parties' originally intended purpose or result, short of creating any void, invalid or unenforceable provision, term or condition.

31.2 Survival – Notwithstanding termination of this Agreement by either Party or for any reason, including, but not limited to, a termination due to a finding that this Agreement or a portion thereof is void, invalid, or unenforceable, this Section 31.2 and Sections 1, 23.1, 23.2, 26, 27 and 29 shall survive such termination and shall remain effective as to any matters which are the subject of this Agreement or which arise out of, in relation to or in connection with this Agreement. Moreover, any such termination shall be without prejudice to rights and obligations that have accrued prior to termination and, notwithstanding such termination, such provisions of this Agreement as are reasonable necessary for the

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full enjoyment and enforcement of such rights and obligations shall survive such termination for the period necessary.

**SECTION 32: PUBLICATION**

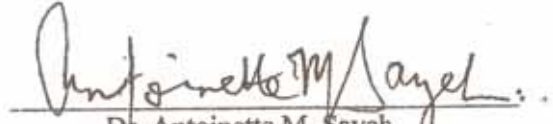
Subject to law, this Agreement and any amendments thereto shall be made public by the Government.

IN WITNESS WHEREOF, the parties hereto have affixed their names and signatures on the date and place abovementioned:

**FOR THE GOVERNMENT:**



Dr. J. Chris Toe  
Minister of Agriculture



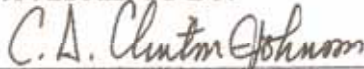
Dr. Antoinette M. Sayeh,  
Minister of Finance



Richard V. Tolbert  
Chairman of the National Investment Commission

AND

ATTESTED TO BY:



PP Phillip A.Z. Banks III  
Minister of Justice

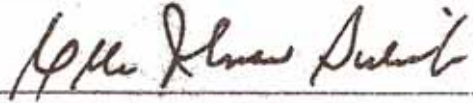
**FOR THE LIBINCO:**



Joseph H. Jaoudi  
Chairman of the Board of Director



Approved by:

A handwritten signature in black ink, appearing to read "Ellen Johnson-Sirleaf", written over a horizontal line.

H.E. Ellen Johnson-Sirleaf  
President of the Republic of Liberia



Schedule A

List of Approved Capital Goods  
(Quantities Subject to approved development plan and not for  
commercial use)

1. Earthmoving & Equipment – all types including but not limited to;

- a. Bulldozers
- b. Excavators
- c. Skidders
- d. Compactors
- e. Road Graders
- f. Road Rollers
- g. Tractor mounted backhoes and loaders (JCB's)
- h. Mobile lifting equipment (Cranes)
- i. Dump trucks
- j. Capital spare parts for above equipment

2. Agricultural Production Equipment all types including but not limited to;

- a. Farm tractors
- b. Wagons/trailers
- c. Rotovators
- d. Irrigation equipment
- e. Mowers, grass & brush cutting and processing equipment
- f. Hoggers
- g. Mechanical and hand sprayers
- h. Nursery Equipment
  - i. Pipes & Sockets
  - ii. Sprinkler heads
  - iii. Pumps
  - iv. Shade material
- i. Power/Chainsaws and attachments
- j. Portable sawmills

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## Schedule A

- k. Implements & Tools – Namely; machetes, harvesting tools, axes, files, sharpening stones & grinders, shovels, buckets, headpans, hoes, rakes, diggers, portable weighing scales.
  - l. Wheelbarrows
  - m. Portable weighing scales
  - n. Capital spare parts for agricultural equipment
3. Static Machinery & Equipment, all types (including but not limited to);
- a. Generating sets
  - b. Diesel and petrol engines
  - c. Electrical switchgear and cables
  - d. Electrical fittings and fixtures
  - e. Water Tanks
  - f. Fuel Tanks and fuel pumps
  - g. Weighbridges and ancillary equipment
  - h. Static weighing equipment
  - i. Meteorological and weather monitoring equipment
  - j. Capital spare parts
4. Palm Oil Processing Mills and equipment, all types (including but not limited to);
- a. Sterilisers
  - b. Cages
  - c. Tipplers
  - d. Elevators
  - e. Screw presses
  - f. Decanters
  - g. Fibre cyclones
  - h. Boilers
  - i. Steam turbines
  - j. Diesel engines
  - k. Generators, cabling, switchgear

*July 2014*  
*EST*



### Schedule A

- l. Nut crackers
  - m. Nut/kernel separators and vibrating screens
  - n. Oil clarification equipment
  - o. Rail lines
  - p. Steel girders and framework
  - q. Cladding
  - r. Pumps and valves etc.
  - s. Palm oil storage tanks, pipework etc.
  - t. Centrifuges
  - u. Pelletisers
  - v. Conveyors
  - w. Air Compressors
  - x. Small Scale (1 -3) ton kernel/Hour) Palm Kernel Mills and equipment and spare parts.
  - y. Quality Control Laboratory Equipment for oil mills, palm kernel mills and export tank farms
  - z. Capital spare parts
5. Palm Kernel Mills and equipment all types (including but not limited to) ;
- a. Kernel presses
  - b. Kernel oil clarification equipment
  - c. Kernel cake storage silos
  - d. Kernel oil tanks
  - e. Capital spare parts
6. Environmental Protection Equipment all types (including but not limited to) Effluent Treatment and capital spare parts.
7. Two each of the following aircraft; helicopters, light planes, air cargo vessels and associated capital spare parts and equipment.
8. Operations Vehicles including (subject to the approved development plan);

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am/s  
RSC

## Schedule A

- a. 4x4 Vehicles
  - b. Trucks
  - c. Crane trucks
  - d. Tanker trucks
  - e. Fork lifts
  - f. Pickup Trucks
  - g. Buses
  - h. Ambulances
  - i. Motorcycles
  - j. Bicycles
  - k. Capital spare parts
9. Two seagoing vessels and two each of equipment to facilitate operations along the coast of Liberia including but not limited to; barges, sea going vessels, tugs, shipping containers, ropes, buoys, life rafts, outboard engines and port handling & management equipment
10. All Building and Construction materials and supplies namely; plaster board, concrete, glass, stone, bricks, roofing materials, corrugated iron, prefabricated bridges, culverts, tiles, steel, aluminium, paint, timber products, piping, tiles, hand tools, power tools and electrical goods & wiring, fittings and fixtures, fencing materials and equipment (subject to the approved development plan).
11. Water pumps and associated spares and accessories.
12. Tank Farm Equipment
- a. Package steam generator
  - b. Pumping equipment and piping
  - c. Palm kernel silo and ancillary equipment
  - d. Iso-thermal containers
  - e. Capital spare parts

*amp*  
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## Schedule A

13. Health and Medical equipment appliances, instruments, furniture, pharmaceutical supplies, furnishings and other materials required to provide healthcare and to operate hospital and clinic facilities.
14. Health and safety equipment, clothing and supplies.
15. Educational Materials, supplies, furniture, equipment and furnishings required to provide education services and to operate school libraries and training facilities.
16. Water and Sanitation machinery, equipment, supplies and capital spare parts including but not limited to well drilling rigs, well pumps, pipes and water tankers.
17. Office Equipment
  - a. Computers
  - b. Software
  - c. Printers and scanners
18. Survey equipment namely; theodolites, GPS equipment, software, plotters.
19. Nursery Equipment and planting material;
  - i. oil Palm Seeds,
  - ii. clonal material,
  - iii. pipes and sockets,
  - iv. sprinkler heads,
  - v. pumps
  - vi. shade material.
  - vii. nursery polybags
20. Fertilisers and Agricultural Chemicals

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RST

## Schedule B

### Development Plan Items

Rolling 5-year development plan will include information regarding;

- Development and use of the production, including a schedule for the development of land within the concession areas that not currently being used to produce oil palm products, detailing replant and extension planting plans as well as mature acreage under production.
- Planned development of infrastructure, including housing and other improvements, within the plantation area
- Expected employment (headcounts by category)
- Implementation of the educational, health, WATSAN and other social obligations of the Company pursuant to the Investment Agreement.
- Implementation of the out-grower and plasma programs
- Capital expenditure program
- Development of processing facilities required for production of Crude Palm Oil and associated products

*AM* *Jms*

*guf* *amp.*  
*RT*



**Schedule C**

**REQUIRED REPORTS WHERE APPLICABLE TO BE  
FORWARDED TO THE MINISTRIES OF AGRICULTURE AND  
FINANCE**

<b>Type of Report</b>	<b>Frequency</b>
<b><i>OPERATIONAL</i></b>	
1. Production (crop production; purchased palm fruit volume; factory output by grade if any)	Quarterly
2. Replanting Program (existing number of acres planted; update as to how many acres replanted; capital budget for replanting)	Annually
3. New Land brought under production	Annually
4. Number of Seedlings distributed to small holders	Quarterly
5. Plasma acres planted	Quarterly
6. Employment information, including payroll, headcount of employees by category and number of contract employees	Annually
7. Other scientific, agricultural, technical, industrial and commercial records, and studies data received or compiled by LIBINC	Annually
8. Training Development Program (status report on implementation – e.g. scholarships; internship; etc.	Annually
<b><i>FINANCIAL</i></b>	
1. Presumptive Turnover Tax Return Form	Monthly
2. Monthly Withholding Tax Form	Monthly
3. Export prices by grade (based on world price); export volume by grade	Monthly
4. Derivation of purchase and export prices for raw palm oil and/or refined palm oil and derivatives	Monthly
5. LIBINC's Quarterly Returns	Quarterly
6. Amount of taxes withheld from under Liberian law from oil palm growers	Monthly
7. Number of farmers from whom palm oil products were purchased,	Quarterly
8. Liberian services and goods purchased	Annually
9. Unaudited financial statements	Semi-annualy
10. Audited financial statements	Annually
11. Plasma expenditures	Semi annually
12. Payments to affiliates, dividends, interest, services,	Annually

*Jan*

*DT*

*Jan*

*Am/S.*

2008

THIRD SESSION OF THE FIFTY-SECOND LEGISLATURE  
OF THE REPUBLIC OF LIBERIA

SENATE'S ENGROSSED BILL NO. 2 ENTITLED:

**"AN ACT RATIFYING THE CONCESSION  
AGREEMENT BETWEEN THE REPUBLIC OF  
LIBERIA AND LIBINC OIL PALM INC."**

On motion, Bill read. On motion, the Bill was adopted on its first reading and sent to Committee Room on Thursday, March 13, 2008 @ 12:00 GMT.

On motion, Bill taken from the Committee Room for its second reading. On motion, under the suspension of the rule, the second reading of the Bill constituted the third reading and the Bill was adopted, ordered engrossed and passed into the full force of the law today, Tuesday, April 22, 2008 @ the hour of 12:43 GMT.

  
SECRETARY, LIBERIAN SENATE, R.L.

2008

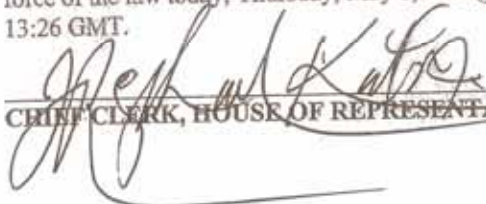
SECOND SESSION OF THE FIFTY-SECOND  
LEGISLATURE OF THE REPUBLIC OF LIBERIA

HOUSE'S ENDOSEMENT TO SENATE ENGROSSED  
BILL NO. 2 ENTITLED:

**"AN ACT RATIFYING THE CONCESSION  
AGREEMENT BETWEEN THE REPUBLIC OF  
LIBERIA AND LIBINC OIL PALM INC."**

On motion, Bill read. On motion, the Bill was adopted on its first reading and sent to Committee Room on Thursday, April 24, 2008 @ 14:15 GMT.

On motion, Bill taken from the Committee Room for its second reading. On motion, under the suspension of the rule, the second reading of the Bill constituted the third reading and the Bill was adopted, ordered engrossed and passed into the full force of the law today, Thursday, May 8, 2008 @ the hour of 13:26 GMT.

  
CHIEF CLERK, HOUSE OF REPRESENTATIVES




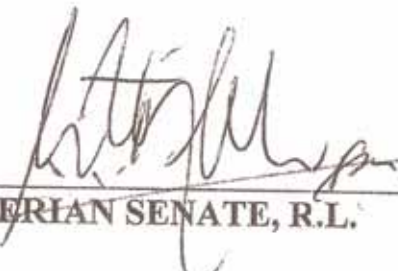
2008


ATTESTATION TO:

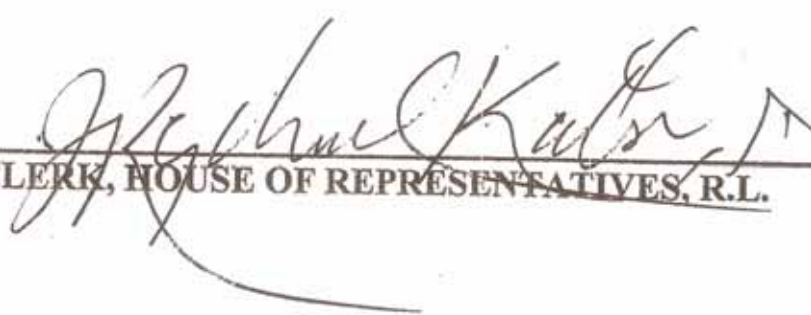
"AN ACT RATIFYING THE CONCESSION AGREEMENT BETWEEN THE REPUBLIC OF LIBERIA AND LIBINC OIL PALM INC." AND

"AN ACT RATIFYING THE INVESTMENT AGREEMENT BETWEEN THE REPUBLIC OF LIBERIA AND LIBERIA FOREST PRODUCTS INC."

  
\_\_\_\_\_  
VICE PRESIDENT OF THE REPUBLIC OF LIBERIA/ PRESIDENT OF THE SENATE

  
\_\_\_\_\_  
SECRETARY, LIBERIAN SENATE, R.L.

  
\_\_\_\_\_  
SPEAKER, HOUSE OF REPRESENTATIVES, R.L.

  
\_\_\_\_\_  
CHIEF CLERK, HOUSE OF REPRESENTATIVES, R.L.



**The Liberian Senate**  
CAPITOL BUILDING, CAPITOL HILL, MONROVIA, LIBERIA.  
WEST AFRICA

2008

THIRD SESSION OF THE FIFTY-SECOND LEGISLATURE OF THE REPUBLIC OF LIBERIA

SCHEDULE OF THE SENATE ENROLLED BILL NO. 2 & 3 ENTITLED:

“AN ACT RATIFYING THE CONCESSION AGREEMENT BETWEEN THE REPUBLIC OF LIBERIA AND LIBINC OIL PALM INC.” AND

“AN ACT RATIFYING THE INVESTMENT AGREEMENT BETWEEN THE REPUBLIC OF LIBERIA AND LIBERIA FOREST PRODUCTS INC.”

PRESENTED TO THE PRESIDENT OF THE REPUBLIC OF LIBERIA FOR EXECUTIVE APPROVAL.

RECEIVED THIS 22<sup>nd</sup> DAY OF May A.D. 2008

AT THE HOUR OF 5:30 P.M.

  
\_\_\_\_\_  
THE PRESIDENT OF THE REPUBLIC OF LIBERIA